United Nations A/C.5/60/SR.12

General Assembly
Sixtieth session

Official Records

Distr.: General
22 November 2005

Original: English

Fifth Committee

Summary record of the 12th meeting
Held at Headquarters, New York, on Tuesday, 25 October 2005, at 3 p.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Acting Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 124: Proposed programme budget for the biennium 2006-2007 (*continued*)

General discussion

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

05-56892 (E)

The meeting was called to order at 3.05 p.m.

Agenda item 124: Proposed programme budget for the biennium 2006-2007 *(continued)* (A/60/6 (Introduction), A/60/6 (Sect. 1-27), A/60/6 (Sect. 28 A-G), A/60/6 (Sect. 29-35), A/60/6 (Income sect. 1-3), A/60/7 and Corr.1 and Add.1, A/60/16 and Corr.1 and A/60/303)

General discussion

1. **The Secretary-General**, introducing the proposed programme budget for the biennium 2006-2007, said that he was pleased to have the opportunity to address the Committee at such a crucial and challenging moment for the United Nations. The Organization had been called upon to deploy several new peacekeeping operations in the past year alone. A series of natural disasters was taxing the international humanitarian system and deadly diseases continued to spread or emerge. The 2005 World Summit had given rise to even more new mandates. However, the Organization's work was currently defined not only by the exceptional number of new demands being placed on it, but also by a profound change in the very way in which it did business.

2. The entire scale and locus of the Organization's operations had shifted. Until recently, its main job had been to staff and service a predictable routine of meetings and conferences. Currently, in addition to that ongoing work, it managed an unpredictable, non-routine, fast-moving global enterprise encompassing peacekeeping, political missions, humanitarian relief and development. However, the United Nations was still functioning under the old rules, fixing staffing tables and allocating financial resources by committee in New York. The Organization's work and operating environment had changed and "business as usual" was no longer an option.

3. In that context, the Fifth Committee had a pivotal role to play in transforming the Organization and in providing it with the flexible management and the skilled and motivated workforce it needed to meet current challenges. The relationship between the Fifth Committee and the Secretariat was also critical. If both sides understood their respective roles, listened to each other's concerns and worked together in a constructive manner, the Secretariat would carry out the mandates entrusted to it by Member States more effectively and people in need throughout the world would benefits.

4. Management reform was indispensabl regard. There was a need to constantly services, learn from experience and correct since good management was in everyone's The goal of management reform was to Secretary-General and the Secretariat management tools and resources they needed complex global operations and to ensure that held accountable for results and performanc effective, stringent oversight. If all interest worked together, that necessary goal achieved.

5. Over the years, the General Assembly the Secretariat to produce a staggering n reports and to comply with a seemingly infini of extraordinarily detailed managerial requ However, that approach did not lead to accountability. Instead, Member States th became mired in detailed discussions that, i left many of the larger strategic questions un Accordingly, steps must be taken to agree proper division of labour, with Membe providing strategic direction and the S managing. However, the Administration nee empowered. That did not mean that it was eng competition or zero-sum game in which the S General's gain was the Fifth Committee's los versa. What it needed was authori accountability.

6. Much remained to be done. implementation of the 2005 World Summit would provide an opportunity to make programmatic and management changes Organization's work. Member States had alre informed about the work plan that had been for that purpose. In the days ahead, a senior a management issues would be appointed. Th would be a person of proven renown in the f would advise the Secretary-General on all a the reform process and help ensure Organization's work was in line with internat practices.

7. A number of items in the work plan addressed by the end of 2005. For instance, States had called for the Peacebuilding Comm be operational by December, along with its a

support office and Peacebuilding Fund. Accordingly, he was taking steps to set up a "start-up" element of the office so that it could begin operations immediately once the Commission had been established. The financial implications of those activities would be submitted in early November. At that time, he would also submit preliminary budgetary requirements for a new Human Rights Council. Since Member States had not yet taken a final decision on the Council's parameters, those requirements would be tentative. In addition, he would be submitting financial implications for the doubling of the regular budget resources of the Office of the United Nations High Commissioner for Human Rights over the forthcoming five years, which Member States had agreed was a vital and long-overdue step for strengthening the Organization's work in the area of human rights.

8. He had also been asked to submit detailed proposals for strengthening oversight. Accordingly, the capacity of the Office of Internal Oversight Services would be strengthened in two phases: first, additional resources would be provided for auditing and investigation and, second, an independent external evaluation, to be commissioned by November 2005, would be undertaken. The Secretariat was also preparing proposals on the creation of an independent oversight advisory committee, which would be submitted to the General Assembly by the end of the year. The new ethics office was another important part of the picture. The bulletin for that office would be issued in the days to come and the Fifth Committee would receive the relevant financial estimates by early November.

9. During the first quarter of 2006, he would be submitting recommendations to ensure that the Secretariat's budgetary, financial and human resource policies, regulations and rules responded to the current needs of the Organization and allowed it to conduct its work in an effective manner. At that time, he would also provide the General Assembly with an analysis and recommendations aimed at facilitating the review of all mandates older than five years. That exercise was a golden opportunity to eliminate outdated activities and to update and reprioritize the Organization's entire programme of work. A detailed proposal for a one-time staff buyout would also be submitted, with a view to establishing a staffing profile that reflected the new priorities of the General Assembly and allowed the Secretariat to meet the requirements of the twenty-first century.

10. Before the revised estimates that would arise from the implementation of the Summit outcome, the proposed programme budget for 2006-2007 envisaged only a very slight increase in real terms over the budget for the current biennium (less than 0.1 per cent). Growth in priority areas was to be funded largely through the reallocation of resources. The budget continued a trend of significant investments in staff development and information technology and maintained the capacity to handle special political missions. Furthermore, over 3,000 obsolete, ineffective or marginally useful outputs had been discontinued.

11. As he had stressed throughout the Summit process, the United Nations agenda was very ambitious but achievable. In implementing that agenda, the false hierarchy of issues according to which management was ancillary to the Organization's main tasks must be rejected, along with the view that the work of the Fifth Committee was some kind of arcane pursuit for specialists only. Management mattered. In that connection, the members of the Fifth Committee had a dual role: first, to give the Committee serious attention and, second, to ensure that their capitals did likewise.

12. Sustained efforts over the previous decade had led to the introduction of a wide range of structural, technical and managerial reforms at the United Nations. The General Assembly had given broad support to those changes, which, in his view, had made the Fifth Committee more strategic and the Organization more effective in doing the job expected of it. However, even that extensive series of reforms did not go far enough. For the sake of the Organization, and most of all for the sake of the people it served, the indispensable process of management reform must continue. The time for action had come.

13. **Mr. Saha** (Acting Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the related ACABQ reports (A/60/7 and Corr.1 and Add.1), said, at the outset, that the Advisory Committee was recommending acceptance of the Secretary-General's estimates. The proposed programme budget for 2006-2007 represented limited growth in comparison to the budget for the current biennium. In times of budgetary stringency, it was increasingly important to focus on how resources were managed; that was particularly

true as the Organization converted to results-based budgeting, which presupposed a shift of focus on the part of Member States from input analysis to review of results and expected accomplishments. Accordingly, although the Advisory Committee had recommended some specific reductions in the individual budget sections, it had concentrated on making recommendations on a number of management issues facing the Organization. A detailed discussion of those issues could be found in chapter I of the report.

14. Since it attached great importance to making the most efficient use of resources and because staff costs represented by far the largest share of the proposed programme budget, the Advisory Committee had devoted considerable attention to personnel matters and had attempted to formulate very specific, unambiguous recommendations on those issues. It trusted that, notwithstanding any adjustments made during the deliberations of the General Assembly, the essence of those recommendations would provide an impetus for positive change.

15. A proper balance must be struck between the policy-setting authority of the legislative bodies and the Secretary-General's accountability for implementing those policies. If the Organization was to respond to the new challenges facing it, the staffing table of the Secretariat would need to be administered with considerably greater creativity. Departments did not "own" particular posts at particular grade levels, and the allocation of posts must be viewed as dynamic rather than static. In that connection, the General Assembly should take steps to strengthen the role of the Secretary-General in managing the staffing of the Organization.

16. The Committee had made a number of suggestions concerning accountability, which should be regarded as preliminary and not all-inclusive. First, in the absence of a system of sanctions for failure to perform, the initiatives introduced to promote accountability would have no real impact. Failure should no longer be tolerated at the United Nations. Even when failure did not lead to dismissal, there was no entitlement to continued employment at a particular grade level. There should be a whole range of specific disincentives for failure to perform satisfactorily, as well as incentives for excellent performance. Through the proper application of the Performance Appraisal System, the Organization had the tools to measure performance against specific benchmarks and goals. It was time to move from theoretical to practical application of results-based-budgeting principles and truly performance-based management. Conversely, to the extent that managers were truly held accountable for their performance, they must also be given the authority necessary to manage effectively.

17. The Advisory Committee had heard many complaints regarding the staff selection system. In 2004-2005, vacancies in New York had taken an estimated average of 410 days to fill, which was unacceptable. The Committee was recommending imposing a requirement that all posts which became vacant as a result of planned retirements must be filled within 30 days, and it expected that more rapid progress would be made towards the approved target of 120 days for other vacant posts and new posts.

18. The Advisory Committee was becoming increasingly concerned about the disparity among common-system organizations in the treatment of entitlements for staff recruited internationally for service in non-family missions and the implications of those discrepancies for staff morale and competition for personnel among United Nations organizations in the field. The United Nations common system of salaries, allowances and benefits was intended, inter alia, to prevent competition for personnel, facilitate the exchange of staff, afford economies of scale and foster a sense of equity among staff working for different organizations in the same system. The General Assembly should therefore give due consideration to preserving the letter and spirit of the common system when it considered the comprehensive report on conditions of field service.

19. In light of the continued increase in available extrabudgetary resources, attention must be paid to ensuring that extrabudgetary expenditures were subject to a greater measure of scrutiny and control. Accordingly, the Advisory Committee had reaffirmed its statement that the information on those resources included in the proposed programme budgets should be structured in such a way as to permit an examination of proposals related to the administrative and/or support costs of the activities concerned. The presentation of extrabudgetary resources should therefore be revised to enhance its compatibility with results-based budgeting principles. Furthermore, the Secretary-General should establish that the receipt and utilization of funding from the private sector would not in any way alter the priorities established by Member States; that United

Nations financial and personnel regulations and rules would be adhered to; that documentation and standards would be established to meet accountability requirements; and that any additional support costs entailed in managing the funds would be reimbursed on an agreed basis.

20. The Advisory Committee's recommendations on individual budget sections were contained in chapter II of its report. With regard to the administration of justice, the Advisory Committee had, pending the submission of the report of the redesign panel, issued a separate report (A/60/7/Add.1) containing a number of recommendations on the establishment of that panel, the Administrative Tribunal and related matters.

21. In closing, he said that the Advisory Committee had highlighted a number of deficiencies in the administration and management of the United Nations which must be addressed on a priority basis. With the increasing emphasis on results and the demand of Member States for accountability, it was essential to provide specific guidelines and objectives for achieving greater productivity and efficiency.

22. **Mr. Yoo** Dae-jong (Vice-Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (A/60/16 and Corr.1), said that, at its forty-fifth session, the Committee had addressed five issues, namely the review of the efficiency of the administrative and financial functioning of the United Nations; programme questions; coordination questions; reports of the Joint Inspection Unit; and improving the working methods and procedures of the Committee within the framework of its mandate.

23. In its consideration of programme questions, the Committee had emphasized that priority-setting within the Organization was an intergovernmental process and that priorities represented the longer-term objectives of the Organization. In connection with the proposed biennial programme plan and priorities for the period 2006-2007, the Committee had considered the consolidated and revised proposed programme plan for programme 27, Safety and security, and had recommended that the General Assembly should approve the relevant programme narrative.

24. Paragraphs 106-122 of the report contained a number of recommendations relating to the implementation of General Assembly resolution 58/269, which had been considered in the context of the proposed programme budget for the biennium 2006-2007. In particular, the Committee had recommended that the Secretary-General should take all legislative mandates fully into account when preparing the strategic framework for the biennium 2008-2009. It had further noted that the programme narratives of the subprogrammes of budget fascicles were largely identical to the biennial programme plan.

25. The Committee's recommendations on evaluation were contained in paragraphs 135-139, 151-158, 165 and 175-178 of the report. The recommendations on coordination questions appeared in paragraphs 201-212 and those on the New Partnership for Africa's Development (NEPAD), in paragraphs 227-237. Paragraph 248 (a) to (e) set out the Committee's recommendations on the reports of the Joint Inspection Unit.

26. Lastly, in accordance with General Assembly resolution 59/275, the Committee had held a number of meetings and several informal consultations on the issue of improving its working methods and procedures within the framework of its mandate. However, owing to diverging views and a lack of flexibility, it had not been able to draw any conclusions or make any recommendations.

27. **Mr. Neil** (Jamaica), speaking on behalf of the Group of 77 and China, reaffirmed his commitment to the goals and aspirations of the United Nations. While recent criticisms of the Organization's management and an orchestrated media campaign had raised questions about its performance and credibility, it should be recalled that the oil-for-food programme, in particular, had been a special operation launched by the Security Council and, as such, had not been subject to the normal review procedures of the General Assembly. Accordingly, the reported conclusions of the inquiry should not be interpreted as a criticism of the performance of the staff of the Organization as a whole and should not be used as a basis for setting priorities.

28. The Group of 77 and China highlighted the role of the General Assembly and its relevant intergovernmental and expert bodies in planning, programming, monitoring and evaluation and reaffirmed the Assembly's role in analysing and approving posts and financial resources and in allocating and reallocating resources to all sections of the programme budget with a view to ensuring the full

and efficient implementation of all mandated programmes, activities and policies.

29. He welcomed the presentation of the proposed programme budget in a results-based format, but emphasized that results-based budgeting was a management tool and not an end in itself. The presentation should be enhanced further, such as by better reflecting the linkages between inputs and outputs. During the budgeting process, it was essential to adhere to legislative mandates and to the provisions of the Charter and to consider the international character of the Organization.

30. The proposed programme budget for 2006-2007 amounted to approximately $3.6 billion before recosting, representing an increase of less than 0.1 per cent in real terms as compared to the budget for the current biennium. Resources approved by the General Assembly should be sufficient to ensure the full implementation of all mandated programmes and activities, and there could be no room for arbitrary decisions to lower the level of resources or impose an artificial ceiling. The Assembly as a whole had not accepted the principle of zero nominal growth and the Secretary-General should therefore submit proposals that complied with its mandates. In that connection, the Group of 77 and China was concerned that the estimated extrabudgetary resources would cover over 60 per cent of the Organization's requirements and that over 80 per cent of the regular budget was allocated to staff and administrative expenditures rather than to the implementation of mandates. The General Assembly would need to exercise more oversight in order to ensure that all programmes and mandates were implemented in a balanced manner, regardless of their sources of funding. Recommendations to eliminate programmes on the basis of their inability to attract extrabudgetary resources must be carefully considered.

31. Over the past decade, Member States had set a number of development priorities for the Organization, including programmes and initiatives aimed at international cooperation in the areas of hunger and poverty eradication, trade and development and social and health issues. The Group of 77 and China expected the mandates that had arisen from those priorities to be adequately reflected in the budget.

32. Pursuant to regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, the Secretary-General had proposed the discontinuation of 3,019 outputs. However, most of those outputs were in the economic, social and environmental fields, to which the developing countries attached particular importance. The agenda of the United Nations should continue to reflect the concerns and priorities set out in various legislative mandates, and outputs should be discontinued only after a careful and non-selective analysis of how they contributed to the achievement of the Organization's objectives. Furthermore, the Group of 77 and China had expected to receive a full report on improving the implementation of regulation 5.6 and rule 105.6 of the Regulations and Rules Governing Programme Planning.

33. The level of the Development Account had remained the same since its establishment in 1998. The Fifth Committee must therefore examine all opportunities for achieving savings in the implementation of the various programmes and should call on the Secretariat to suggest innovative ways of providing the Account with adequate funding. While he welcomed the initiatives in the area of information and communication technology, he called for a greater focus on duty stations in developing countries and the regional commissions. In light of the ongoing reform efforts and the corresponding requirements for efficient and effective programme delivery and enhanced capacity-building, the Group of 77 and China was not convinced that the $25 million allocated for training was sufficient. Moreover, to ensure that the Organization derived full benefit from those resources, they should be distributed fairly among different programmes and duty stations.

34. The Group of 77 and China expressed its concern at the Secretariat's tendency to give priority treatment to the work of the Security Council, and took the view that the Council's support mechanisms should be streamlined. Cuts in conference services had had a disproportionate effect on the work of the Main Committees of the General Assembly, intergovernmental bodies and regional groups. The partial restoration of services had not had the desired impact, and serious consideration should be given to restoring all services.

35. Because it was important to ensure equity among United Nations duty stations and offices in developing and developed countries, the Group welcomed the Secretary-General's efforts to improve the financial

arrangements for the United Nations Office at Nairobi. The regional commissions were the key interface between the United Nations and the world's peoples, and the Member States had a collective responsibility to provide them with adequate resources for the implementation of the Organization's core mandates. The Group expected that any additional budgetary requirements arising from the 2005 World Summit Outcome would be presented as a revised estimate supported by well-thought-out and detailed proposals and introduced in keeping with established procedures.

36. The Group welcomed the report of the Committee for Programme and Coordination (CPC), but was concerned that not all budget sections had been submitted to CPC for consideration. The Group wished to reaffirm the role and mandate of CPC in accordance with the Regulations and Rules Governing Programme Planning, as well as the relevant resolutions of the General Assembly and the Economic and Social Council. The Group was also concerned that not all the introductory parts of the budget sections contained information on revised or new mandates and that the narratives of some sections and subprogrammes were not identical to the biennial programme plan, as stipulated in General Assembly resolution 58/269. In that regard, the Secretariat should abide fully by regulation 4.5 and rule 104.4 of the Regulations and Rules Governing Programme Planning.

37. While acknowledging that the proposed programme budget before the Committee was the first to be introduced in accordance with the experimental planning and budget cycle provided for in General Assembly resolution 58/269, the Group was concerned at the evident shortcomings of the experiment and would give them thorough consideration when the General Assembly reviewed the experiment at its sixty-second session. The Group was also concerned at the Secretariat's interpretation of General Assembly resolution 58/269, which placed the entire experiment in jeopardy. The Secretariat must act in an impartial manner and respect the intergovernmental nature of the planning and budgetary processes. The Group had noted the Secretary-General's time lines for management reform, and would present its related proposals at the appropriate time.

38. The report of the Advisory Committee (A/60/7 and Corr.1 and Add.1) contained a number of observations which clearly exceeded the Advisory Committee's mandate, and in many cases reflected national positions which had been previously rejected by the General Assembly. The Group would therefore like to recall the provisions of rules 155-157 of the rules of procedure of the Assembly, which indicated that ACABQ members served as independent experts, not as representatives of their Governments.

39. Moreover, it was inappropriate for any ACABQ member to take part in the negotiations of intergovernmental bodies. ACABQ was an independent, impartial and technical expert body which was mandated to advise the General Assembly on administrative and budgetary matters. It was time to consider reforming ACABQ in line with the ongoing reform process taking place in the United Nations, and the Group would be presenting proposals aimed at enhancing its effectiveness and ensuring its independence. The Group was committed to providing the Organization with a budget resolution for 2006-2007 which provided adequate resources to the United Nations, free from any conditionality, to support the policy framework determined by the Organization's intergovernmental organs.

40. **Mr. Jones Parry** (United Kingdom), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia and Turkey; the stabilization and association process countries Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia; and, in addition, Iceland, the Republic of Moldova and Ukraine, said that negotiations on the programme budget of the United Nations were always complex and demanding, but were also always critical to defining its capacity to meet the tasks assigned to it by Member States.

41. With the inclusion of the financial implications of the 2005 World Summit Outcome, the 2006-2007 regular budget proposal approached $4 billion, reflecting an increase of nearly $1.4 billion, or well over 50 per cent, over two budget cycles, in a significant departure from the more stable budgetary levels of the past. That put considerable pressure on many Member States. It was therefore vital that the Secretariat should respond with a more prioritized approach to programming when new requirements emerged, and that it should undertake comprehensive and thorough assessments of the continuing validity of activities and take the necessary decisions.

42. While recognizing that the budget must provide sufficient funding for the Organization to carry out its assigned mandates, the European Union believed that some potential savings must be identified in the budget proposal. In particular, all mandates should be revisited on a regular basis in order to confirm that original decisions remained valid and that the Organization was dealing with the most important problems.

43. The leadership shown by the Secretary-General should be disseminated more broadly and deeply to other managers, and the European Union trusted that the Secretary-General would make that process one of his top priorities during the remainder of his term. The European Union would support that effort by seeking to enhance the decision-making and resource-allocation powers of the Secretary-General and his management, while making them more accountable to the General Assembly regarding the manner in which those powers were exercised.

44. The European Union would consider the staffing requests contained in the budget proposal in the context of the overall capacity of the relevant departments, and would seek to determine whether their defined objectives contributed to those of the United Nations as a whole. More specifically, it would seek assurances that all efforts to meet new needs through redeployment or restructuring had been exhausted. Since staff costs accounted for such a major part of the Organization's expenditure, the importance of taking a dynamic approach to staffing allocation could not be overestimated. The European Union was therefore disappointed that the measures introduced to encourage such an approach had produced such meagre results and was not yet convinced that the Secretariat was sufficiently seized of the matter. Just as it was important to ensure the quality of staff, it was also important to provide staff with the best tools with which to carry out their work. The European Union therefore expected that information and communication technology (ICT) would bring greater flexibility to staffing practices.

45. Although the Advisory Committee's report was a good starting point for the Committee's discussions, the European Union would have welcomed the inclusion of concrete figures regarding possible savings. However, it welcomed the proposal that programmes under the budget sections for human rights and humanitarian affairs should be strengthened, and looked forward to receiving further proposals reflecting the commitment made at the 2005 World Summit to boost the capacity of the Office of the United Nations High Commissioner for Human Rights. Those increases must be subject to fully justified and well-presented proposals and the funds must be well managed. It was also important to implement previous management and oversight recommendations.

46. Member States also bore some responsibility to ensure the efficient use of budgetary resources. A clear example was provided by conference services, which accounted for 15 per cent of the Organization's budget. Too often, Member States did not make efficient use of those services, starting their meetings late or demanding extra meetings because of their own poor organization. The European Union therefore urged other Member States to help streamline the programme of meetings and make more efficient use of those valuable resources.

47. **Mr. Dauth** (Australia), speaking on behalf of Australia, Canada and New Zealand, said that during its sixtieth session the General Assembly would have the opportunity to implement the changes needed to ensure that the United Nations became a more potent force for development, the protection of human rights, humanitarian action, conflict prevention, and post-conflict recovery. The Committee's work on the resource and management dimensions of that process would be of pivotal importance.

48. The Secretary-General had already initiated another important programme of management improvement within the Secretariat. Member States' responsibility for the governance of the United Nations required that they should carry those improvements further, under four broad themes. Strengthening public confidence was the first priority. Citizens of Member States needed to know that the resources they provided were spent well and with integrity. Planned measures to strengthen the ethics function, prevent conflicts of interest and require honourable conduct were of fundamental importance, but should be supported by strengthened, capable and independent oversight. He looked forward to receiving the Secretary-General's proposals in that regard, and expected nothing less than the aggressive implementation by the United Nations of its policy of zero tolerance of sexual exploitation and abuse.

49. The second major theme was that of transparency and accountability. A key improvement would be to

allocate resources to substantive purposes rather than to administrative structures. Results-based budgeting was not just incremental budgeting, it was a comprehensive management tool. Transparency also required a review of the budget methodology aimed at ensuring that the full costs of proposals were not obscured and that non-recurrent outlays did not become part of the budget baseline.

50. Commitment to improved accountability began with action to disentangle the respective roles of the Secretary-General and the General Assembly. It also required that responsibilities, incentives and sanctions for staff and managers should be defined. Indicators of achievement and performance measures must be applied in a transparent and consistent manner, but there was also a need to look beyond the performance of individuals. The Organization's tools for assessing programme performance did not provide an accurate reflection of its accomplishments.

51. The third major theme was the need to move beyond the practice of incremental budgeting. The forthcoming review of older mandates might expedite the process of discontinuing outdated activities in favour of actions that reflected contemporary needs, but there was no substitute for the ongoing responsibility of managers to assess the relevance and impact of their activities.

52. The fourth and final theme was the Organization's fundamental commitment to budgetary rigour, discipline and control. Its budgets were escalating rapidly, and the current budget proposal and the revised estimates would need to be examined together. Because the growth in resource demand increased the importance of seeking efficiency and productivity, he was disappointed that the freeze on recruitment of General Service staff had not triggered the hoped-for review of administrative processes. It was imperative to develop better tools to assess and gauge efficiency, and he hoped that the ongoing evaluation of the applicability of cost accounting would be helpful in that regard.

53. He looked forward to receiving the Secretary-General's proposals on the conditions and measures necessary for him to carry out his management responsibilities effectively. However, he was disappointed that the Secretary-General had not taken full advantage of the opportunity to exercise more flexibility with resources, and specifically to redeploy 50 posts. The Secretary-General was therefore encouraged to exercise his authority fully, as also recommended by the Advisory Committee.

54. **Mr. Andjaba** (Namibia), speaking on behalf of the African Group, reaffirmed that the Advisory Committee and CPC each had a crucial role to play in Member States' consideration of those aspects of the proposed programme budget that related to resources and programming, and that the General Assembly played a central role in budgetary and administrative matters. As noted by the representative of Jamaica, consideration of the budget should not be subject to any conditionality, and the reform process should include the Advisory Committee in order to strengthen its independence and confirm its technical character. The African Group welcomed the Secretary-General's assurances that paramount consideration had been given, in the formulation of the budget proposals, to aligning the Organization's activities with the priorities identified by the General Assembly, as set out in the biennial programme plan and priorities for the period 2006-2007 and the budget outline for the biennium 2006-2007.

55. The African Group strongly supported the invaluable role of CPC in reviewing the strategic framework and the programmatic aspects of the programme budget. As the General Assembly considered the appropriateness of the shortened plan period, it was important that the Secretariat should abide by the letter and spirit of General Assembly resolution 58/269, as actions to the contrary might place that experiment in jeopardy.

56. The African Group wished to reiterate that the allocation of resources in the budget sections should continue to reflect fully the priorities of the Organization as mandated by Member States, and therefore wished to underline the specific importance it attached to the Organization's development activities. The recent growth in the Organization's budget level had been largely due to increases in the areas of peace and security, but that growth should not be achieved at the expense of funding for development. The considerable reliance of development programmes on extrabudgetary funding was a matter of concern, and he hoped that Member States would demonstrate the necessary political will to translate their recent expressions of solidarity into more concrete actions for Africa's development. Adequate resources should be allocated to development, particularly for Africa and

the least developed countries, of which 34 were in Africa. The African Group expected that the resources approved at the end of the budget consideration process would enable the Organization to fully implement activities under its agreed priorities, as reflected in the proposed budget.

57. The General Assembly had agreed to the shorter, more strategic format of the budget on the understanding that the budget proposal should fully justify resource requirements and better reflect the biennial programme plan, the Millennium Declaration and the outcomes of major international conferences and summits. While acknowledging that the budget proposal before the Committee was only the third to be submitted in a results-based budgeting format, the African Group agreed with CPC that there was room for improvement. It hoped that the full integration of results-based budgeting into the United Nations system would benefit from investments in information technology and the additional allocation for staff training. Further measures to strengthen training would be necessary, and the Secretariat should ensure that all programmes and duty stations benefited from improvements in ICT.

58. The proposed programme budget stressed the need for programme managers to constantly review the recurrent outputs within their spheres of competence, in accordance with regulation 5.6 of the Regulations and Rules Governing Programme Planning. Although regulation 5.6 was key to rationalizing and streamlining the work of programme managers, the Secretariat's review process leading to the termination of outputs should also fully respect the criteria set out in rule 105.6 of the Regulations and Rules, and the Group would carefully examine the 3,019 outputs proposed for discontinuation in 2006 and 2007.

59. As part of his reform efforts, the Secretary-General had in 1997 proposed the establishment of the Development Account. However, the basic assumptions underlying the General Assembly's decision concerning the funding arrangements for the Development Account had not been borne out, and the initial funding level had not changed. Indeed, the actual level was lower than it had been in 1997, taking into account inflation and the weakened United States dollar. The Group therefore called for a complete review of the funding mechanism and agreed with the Group of 77 and China that the matter should be given priority attention during the deliberations on the 2006-2007 budget.

60. The African Group recognized that Africa's challenges could not be addressed through its own efforts alone, and commended the efforts of the Under-Secretary-General for Political Affairs, Mr. Ibrahim Gambari, during his tenure as the United Nations Special Adviser on Africa. However, the 2005 High-level Plenary Meeting of the General Assembly had not resulted in the hoped-for concrete follow-up actions in support of Africa's development. Consequently, the United Nations system in general, and the Office of the Special Adviser on Africa, in particular, should, during the coming biennium, intensify their efforts to promote a system-wide approach in support of the New Partnership for Africa's Development (NEPAD). The Group wished to know why the post of Special Adviser had not yet been filled, as the Organization's efforts to support NEPAD might be jeopardized if the situation was not addressed as a matter of urgency.

61. The African Group also wished to emphasize the important role of the Economic Commission for Africa (ECA) in coordinating United Nations efforts in support of NEPAD at the regional level. The lack of adequate resources to finance the activities of ECA continued to be a matter of great concern. The Committee should therefore give serious consideration to the challenges faced by the Commission and to the appeal of the Group of 77 and China for the strengthening of the regional commissions.

62. It was important to ensure equity among United Nations duty stations, and the African Group was concerned at the heavy reliance of the United Nations Office at Nairobi on extrabudgetary funding. The Secretary-General's efforts to rectify the situation in accordance with General Assembly resolutions 52/220 and 58/270 were therefore welcome, as were the efforts to increase the Office's regular budget component, as requested in General Assembly resolution 57/292. However, the budget proposal did not contain requests for new resources for the Office, but merely a conversion of extrabudgetary posts to regular-budget posts.

63. The African Group wished to express its deep concern at the slow implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, and the Almaty Programme of Action for landlocked developing

countries, adopted in 2003. In that regard, Member States should agree on concrete actions aimed at strengthening the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, with a view to helping those countries to reduce their vulnerabilities and meet the Millennium Development Goals.

64. **Mr. Mayoral** (Argentina), speaking on behalf of the Rio Group, said that the financial requirements of peacekeeping operations, the international tribunals and the capital master plan had pushed the proposed programme budget for 2006-2007 to historically high levels, requiring a responsible and accountable approach. The Secretary-General's decision to attach to the proposal measures to make programme implementation more efficient and effective was positive, as the priorities and mandates of the Organization must be fulfilled as efficiently as possible.

65. In the interests of consistency and avoiding duplication of tasks, outputs should be considered for elimination if they were unnecessary or obsolete. However, that exercise should neither be an end in itself nor be conditional on the receipt of more extrabudgetary resources. Programming bodies and the General Assembly must be involved in the process. The Rio Group would seek further clarification in informal consultations, as 17 per cent of the outputs considered for elimination in the following two years were connected with economic and social development in Latin America and the Caribbean.

66. With staff costs representing the biggest share of the proposed programme budget, human resources must be managed efficiently, in line with the relevant General Assembly resolutions. Care must be taken to ensure equitable geographical distribution, particularly in senior posts. Substantial efforts must be made to reduce the average length of time for which Secretariat posts remained vacant. The Rio Group welcomed the Secretary-General's suggestions for improving the accountability system, including a comprehensive policy against fraud and corruption. It noted the Advisory Committee's recommendations on the matter and undertook to support action to increase transparency and institutional integrity.

67. The Group supported implementation of the information technology strategy approved by the General Assembly. Network upgrading must continue as a matter of urgency at regional offices and commissions, to achieve the desired strategic standardization. The Group supported continuous learning and initiatives to build staff members' capacity for leadership and change management. It strongly believed that a gender perspective must be mainstreamed into all sections of the programme budget, focusing on women in developing countries, and that the Organization must have a genuine gender-promotion policy which consolidated the division of labour and complementarity among the various areas, funds, programmes and institutions devoted to the advancement of women.

68. The Advisory Committee continued to be an important source of independent advice to the General Assembly. Its deliberations must be founded on and guided by professional neutrality and independence of thought. To guarantee that role, consideration should be given to standardizing its members' conditions of service and to adapting its working methods to the fact that it met almost continuously throughout the year. The Group was concerned that the Advisory Committee had addressed some issues which fell within the purview of CPC, and reaffirmed that the division of labour between expert bodies should be preserved and that CPC played an essential role in reviewing programmes.

69. Results-based budgeting techniques had improved over the previous two bienniums, and the lessons learned would lead to better accountability and transparency. The Rio Group agreed with the Advisory Committee that further work was needed on areas such as indicators of achievement and external factors, and that more attention must be paid to the link between inputs and outputs. The Group would like more details on the reform proposals discussed at the 2005 World Summit and just described by the Secretary-General.

70. **Mr. Abdelaziz** (Egypt) said that the budget, and the Fifth Committee's consideration of it, must conform to two main principles. First, it must reflect the commitments made by the Member States in the Millennium Declaration and the outcomes of all the major international conferences and summits. Second, it must be governed by discipline, with the resources requested being fully justified. Consideration of the proposed programme budget at the current session would probably be affected by the oil-for-food scandal, whose ramifications had been exaggerated to distort

the image of the Organization, by the adoption of the 2005 World Summit Outcome, by rumours that certain Member States would withhold their assessments, by attempts to reinstate links between the financing of the Organization's activities and the achievement of certain benchmarks that benefited some at the expense of others, by selective implementation of the commitments made by world leaders since 2000, and by the attempts of some to advance a narrow, nationalistic agenda under the banner of management reform. Those considerations had created a negative environment which must be promptly and carefully countered before it impeded the General Assembly's collective efforts to strengthen the Organization through reform. The budget was not the appropriate context for discussion of such issues.

71. All mandated activities must be allocated adequate resources from assessed contributions to ensure full implementation. Secretariat efforts to streamline management and optimize the use of available resources were positive, but must not be used as a reason to change the priorities set by the General Assembly, particularly those connected with the development agenda or the special needs of Africa. His delegation was therefore uneasy with the "zero-real-growth" approach of the proposed programme budget: the 2004-2005 programme budget had been only 0.5 per cent higher than its predecessor, and the proposed 2006-2007 programme budget was only 0.1 per cent higher in turn. However, though that modest increase had been attributed to a 22 per cent rise in allocations to a single programme, resources for international and regional cooperation for development had increased by only 0.2 per cent, while those for the regular programme of technical cooperation and for the Development Account had not increased at all.

72. Extrabudgetary resources were increasing, while assessed contributions were stagnating. Although voluntary contributions from donor countries were welcome, their high levels distorted the course of mandated programmes and activities, making financing unpredictable and giving some States a disproportionate say in implementation. In the current biennium, more than 770 posts would be financed from extrabudgetary resources, yet the posts financed from the regular budget had declined, possibly damaging the implementation of the principle of equitable geographical distribution.

73. His delegation was also concerned that certain expert technical bodies were overstepping the mandates they had been given by the General Assembly. Although they existed to provide technical advice, some gave their opinion on policy issues that were squarely within the competence of intergovernmental bodies, attempting to advance one viewpoint over others. In addition, action must be taken during the current session, as part of overall reform, to address doubts about the credibility and independence of members of such technical bodies who continued to combine their expert duties with formal duties within their Governments.

74. As the proposed programme budget pre-dated the 2005 World Summit Outcome, his delegation would like the Secretariat to supply detailed periodic updates on the budgetary implications of the Outcome's proposals not simply on management reform, the Peacebuilding Commission or the Human Rights Council, but also on economic and social development. Management reform proposals must be clear, respect the role and authority of the General Assembly and maintain the balance between, and the respective functions and powers of, United Nations organs, as outlined in the Charter. The proposals must not deviate from the consensus reflected in the World Summit Outcome, must justify resource requests and must have a clear vision of the goals pursued. No attempt should be made to create bureaucratic structures which impeded, rather than facilitating, good management and oversight.

75. **Mr. Mabhongo** (South Africa) said that the results of the 2005 World Summit had been mixed: the Member States had recognized the link between the security and development agendas and had proposed action in that regard, but had failed to take bold action to fulfil the Millennium Development Goals. The challenge of the sixtieth session of the General Assembly was to focus on the implementation of the Summit Outcome, which had highlighted the Organization's crucial role in peace, security, human rights, the rule of law, gender equality, social progress, environmental protection and humanitarian and reconstruction aid.

76. The proposed programme budget had been rigorously reviewed, and every attempt had been made to preserve discipline, improve efficiency and meet new demands by reallocating the resources contained in the budget outline. However, the Member States

continued to impose new mandates without providing the necessary resources, creating a risk that the Organization would not be able to deliver the expected level or quality of services. Cost savings and reallocation of funds were limited remedies; the General Assembly must consider and approve a budget that was more realistic and balanced than previous ones. Member States would not be able to maintain the momentum of the World Summit unless they fulfilled their obligation under the Charter to pay their assessed contributions in full, on time and without conditions.

77. While his delegation was aware that the proposed programme budget for 2006-2007 was not the first to aim to fund growth in programmes by reallocating existing resources, it recalled that the General Assembly, in its resolution 57/300, had called for enhanced mechanisms, adequate resources and effective follow-up activities to implement development goals. The reallocation of resources must therefore comply fully with the priorities established in the biennial programme plan. Moreover, recent budget growth had been due mainly to security improvements and mandates resulting from Security Council decisions. With over half of the Organization's substantive, support and operational costs met through voluntary contributions, and most economic, social and humanitarian programmes relying on such contributions, the General Assembly must increase the share of the regular budget devoted to those programmes.

78. The 2005 World Summit Outcome had confirmed that only Africa was not on track to meet any of the Millennium Development Goals by 2015. While the Organization had made efforts to mainstream the needs of the New Partnership for Africa's Development (NEPAD) into its priorities and programmes, and while African countries and institutions had taken action and made commitments, resources were still lacking. His delegation urged the Secretary-General to ensure that future budget submissions aligned the resource requests for African development with the stated priorities of the Organization. In that connection, the United Nations Office at Nairobi, which served as an interface between the Organization and the peoples of Africa, frequently had to resort to extrabudgetary funding for activities that were covered by assessed contributions in New York, Geneva and Vienna. That situation was unfair; the regular budget component of its funding must be increased.

79. Globalization had failed to deliver the promised economic benefits to most of the world's people, and the gap between rich and poor had widened. As the issues of peace, security, human rights and development were more interconnected than ever before, the United Nations, despite its limitations, remained the key global forum for balancing those agendas and providing hope and inspiration for the poor, the disadvantaged and the marginalized. Consequently, the Member States must renew their commitment to fully implementing the outcomes of past conferences and summits.

80. **Mr. Sen** (India) said that the regular budget of approximately $3.6 billion accounted for only about 20 per cent of the total outlays of the Organization. Extrabudgetary resources, expected to reach $5.6 billion, and peacekeeping budgets, expected to be $10 billion, were subject to little or no intergovernmental scrutiny. However, the regular budget took up a disproportionate part of the Fifth Committee's time and effort because major contributors saw it as a soft target involving little political sensitivity. As a result, areas which affected the Organization's ability to fulfil expectations suffered. Moreover, some Member States negotiated on the basis of a budget ceiling which they were not willing to exceed, sidelining the actual merits of expenditure proposals. Some also clearly preferred to maintain greater control by funding activities from extrabudgetary sources.

81. Those considerations played a bigger role in deciding where costs were cut than a rigorous analysis of possible savings or the Organization's need for funding commensurate with its mandates. Developing countries had little say in decisions on mandates which accounted for over 80 per cent of the Organization's resources. However, they regarded the regular budget as the source of funding that enabled the Organization to play its expected role in addressing their greatest challenge: social and economic development. Although intergovernmental scrutiny of the budget was essential, delegations should focus on the merits of the proposals themselves and on more effective use of resources, rather than seeking to reduce arbitrarily what was already a very small part of the total budget of the Organization.

82. It was astonishing that some Member States had expressed dismay at the growth in the 2006-2007 budget proposals relative to the 2004-2005 proposals,

as the General Assembly had approved many new mandates and the largest increase in posts in the history of the Organization: over 700, for the new Department of Safety and Security. The sums proposed for 2006-2007 had grown by only 0.1 per cent in real terms, while those for 2004-2005 had grown by 0.5 per cent over those for 2002-2003. Even allocations for NEPAD, a high-priority area, had increased by only 1.7 per cent.

83. The proposals for 2006-2007 had fortunately destroyed a number of myths. The first was that existing rules and regulations left no room to discontinue outputs; in the current proposal, the Secretary-General had identified over 3,000 which were considered ineffective, obsolete or only marginally useful. While welcoming that exercise, India was worried that 2,800 of those outputs related to economic and social development, while only four related to peacekeeping and seven to political affairs. The second myth was that the Secretary-General had no flexibility to allocate resources; in fact, he had proposed to reallocate $100 million between different subprogrammes, $50 million between budget sections and 243 posts between programmes. The third was that the budgetary rules and regulations were outdated and must be comprehensively reviewed, while in fact the current proposals were the first to be submitted in accordance with the planning and budget reforms adopted at the fifty-eighth session of the General Assembly. Provided that accountability mechanisms were in place, there would be no need for the General Assembly to micromanage financial affairs. The fourth was that regular budget resource requirements were out of control, whereas in reality the regular budget represented a shrinking share of the Organization's resources, with extrabudgetary funding being one and a half times greater.

84. No attempts must be made to hold the regular budget hostage to the pursuit of other ends. The General Assembly was the only truly democratic body in the Organization. It must remain so, and the priorities of the bulk of its membership must be reflected in the regular budget. The notion that larger contributors should have a greater say in running the Organization was as unacceptable as the idea that the richer voters in an electorate should have more votes because they paid higher taxes.

85. The budget implications of the 2005 World Summit Outcome should be presented as additional appropriations separate from the proposed programme budget. Reacting to the calls to disentangle the roles of the Secretary-General and the General Assembly from each other, his delegation wished to point out that it was the roles of the Secretary-General and the Security Council which must be disentangled from each other, according to the report of the Independent Inquiry Committee; the Security Council had, after all, been responsible for administering the oil-for-food Programme.

86. **Mr. Al-Rasheed** (Saudi Arabia) said that resources should be allocated in accordance with well-defined and measurable objectives. Some of the indicators of achievement and performance measures were not quantifiable and lacked transparency. Saudi Arabia welcomed the increased appropriations for information and communication technologies (ICTs) and shared the Advisory Committee's opinion that the time had come to use results-based budgeting to improve management and accountability in the Secretariat. His delegation supported the Secretary-General's initiative to address the question of accountability in the Secretariat by establishing new executive organs, adopting a whistleblower protection policy to encourage the reporting of misconduct within the Organization, preparing recommendations to broaden the scope of financial disclosure by senior officials and designing a comprehensive mechanism to prevent fraud and corruption.

87. Saudi Arabia was not fairly represented within the Secretariat despite the availability of qualified Saudi personnel who had participated in competitive examinations. He called on the Secretariat to make a serious effort to appoint Saudi nationals to vacant posts. Since developing countries' concerns had been given priority at United Nations conferences and summits, the developing countries should have a larger share of United Nations procurement.

88. **Mr. Løvald** (Norway), noting that the Secretary-General had clearly presented the challenges that lay ahead and the heavy responsibility that rested with the Committee for ensuring the success of the reform process, said that his delegation fully supported the Secretary-General's approach. "Business as usual" was not an option, and the budget had to be firmly based upon the principle of authority combined with accountability. The revised procedures represented important changes that would better equip the

Organization to pursue its new priorities as defined by the 2005 World Summit Outcome.

89. Observing that the growth in priority programme areas would be funded largely through the reallocation of resources, he said that Norway supported the significant adjustment in staffing resources and the continued investment in ICT and staff training, as well as the strengthening of junior Professional levels and the rationalization of the General Service support level. The Organization faced additional funding requirements as a result of decisions taken at the 2005 World Summit which were aimed at ensuring that it addressed the priorities set by Member States and that the Secretariat provided better service. There was a need for stronger executive leadership and thorough administrative reform, as well as better oversight and control. It was necessary to strengthen managerial accountability within the Secretariat and to improve its performance.

90. It was of particular importance to his country that appropriate allocations from the regular budget should be provided for human rights, humanitarian affairs and refugees. In the coming negotiations, Norway would strive for a better balance between regular budget allocations and voluntary contributions to such activities, for it had always believed that the Organization's work on human rights merited a significantly larger proportion of regular budget funding. One tangible and positive outcome of the 2005 World Summit had been the commitment to double the regular budget of the Office of the United Nations High Commissioner for Human Rights, which must be followed up in the budget for 2006-2007. Another tangible and positive result had been the agreement to further mainstream human rights throughout the United Nations system. Norway would strongly support all concrete proposals to that effect. While welcoming the fact that indicators and performance targets for gender mainstreaming had been expanded in the budget proposal, Norway considered that the underrepresentation of women, especially at senior levels, was still a serious concern and that special action should be taken in order to achieve gender balance in all categories of staff.

91. By and large, Norway endorsed the budget proposal, but that did not mean that it would not continue to seek productivity improvements and efficiency gains in order to ensure that the United Nations was cost-effective and well managed. The reforms were in the interests of all, and programmes could not be delivered without them.

92. **Mr. Akram** (Pakistan), while expressing support for rigorous resource planning and efficiency measures aimed at avoiding an unnecessary escalation in Member States' assessed contributions, said that the effectiveness of the United Nations depended to a large extent on the availability of adequate resources. The capacity of existing resources to meet the demands of new and additional mandates was limited, and while efficiency in the use of resources was highly desirable, the provision of adequate resources, commensurate with mandated activities, was imperative. Pakistan therefore called on all Member States to honour their financial obligations in full and on time. Calls had been heard for the granting of special privileges and status on the basis of budgetary contributions to the Organization. That was contrary to the Charter of the United Nations, which was based on the principles of sovereign equality and payment of dues according to a country's capacity to pay, and Pakistan would not support any move that would be tantamount to enabling countries to buy a privileged status at the United Nations.

93. Pakistan welcomed the presentation of the budget in the results-based format, but noted that the level of budget resources must be adequate to fulfil the approved mandates. Inadequate allocation of resources led to greater reliance on extrabudgetary resources, and that trend could adversely affect mandated programmes which were not attractive to donors. Programmes related to Member States' development needs should receive adequate financial and human resources. Development Account funds must be increased through the achievement of savings, and Pakistan suggested that the savings reported by the Office of Internal Oversight Services (OIOS) should be diverted to the Development Account. While agreeing in principle that obsolete outputs and activities should be eliminated, Pakistan wished to examine the relevant proposals on the basis of objective criteria and the conditions which had necessitated the discontinuation of such activities. Pakistan supported the Advisory Committee's observation that the intergovernmental bodies of the United Nations needed to pay increased attention to all stages of programme planning and implementation. Pakistan would like to know how the flexibility granted to the Secretary-General for the reallocation of 50 posts within a single budget period had thus far

been utilized. It was prepared to consider proposals to give the Secretary-General greater flexibility based on the evidence that such flexibility could and would be used to promote the rational and effective use of resources, subject to review by the General Assembly. United Nations regulations on the use of consultants should be followed strictly; consultants should be hired only when such expertise was not available in-house.

94. Turning to the decisions on new institutions, new programmes and management and Secretariat reforms adopted at the 2005 World Summit, he said that the new institutions, programmes and reform measures should be financed through additional resources, as required, and not by reappropriating or diverting resources from existing programmes, particularly those that were of interest to developing countries. Noting the decisions concerning enhanced oversight and accountability, a review of budgetary, financial and human resource policies and a review of mandates older than five years, Pakistan awaited detailed proposals and recommendations from the Secretary-General but wished to identify certain principles that should guide the undertaking.

95. The actions and activities of the United Nations should be Member-driven and not Secretariat-driven. Priority-setting was also an intergovernmental prerogative; proposals to grant authority and flexibility to the Secretary-General for the deployment and redeployment of human and financial resources should not be used to change the priorities determined by Member States. The review of mandates should not be merely a cost-cutting exercise; the review should be conducted in a transparent manner based on objective and across-the-board criteria. In order to be most effective, mandate reviews might need to look at the activities of the entire United Nations system. Moreover, the Committee should review the budget-making process itself to make it more efficient, given the difficulties it involved. Pakistan was prepared to consider modalities that would ensure the efficient use of resources in accordance with the results-based approach while simultaneously retaining the General Assembly's authority over all financial and budgetary matters, pursuant to the Charter. Recruitment, placement and promotion in the Secretariat, particularly at senior and policymaking levels, must be made genuinely transparent and equitable. Matters relating to human resources management, such as a one-time staff buyout, should be dealt with as part of a comprehensive exercise and not in a piecemeal manner. Intergovernmental oversight needed to be strengthened, given the admitted shortcomings in the management of the Secretariat; the General Assembly should serve as the principal oversight organ. OIOS needed to have greater financial and operational independence, but such independence must be coupled with greater accountability to the General Assembly, and Pakistan hoped that the new external audit body would not compromise the independence of OIOS directly or indirectly. Management and Secretariat reform should reflect the actual need and desire to reform and strengthen the United Nations, and not be merely a reaction to uninformed or partisan criticism.

96. **Mr. Chowdhury** (Bangladesh) said that the Organization must have adequate resources to carry out its mandated tasks in a world of numerous and varied threats and challenges. Member States must therefore pay their assessed contributions in full and on time. Bangladesh welcomed the budget's shorter and more convenient format, but agreed with the Advisory Committee that it should be further simplified. The results-based approach should be used as a management tool to enhance responsibility and accountability in the implementation of legislative mandates and to promote discipline in the selection of outputs that would contribute most effectively to the expected results. Development programmes should continue to be given high priority. As for the reallocation of resources, Pakistan welcomed the proposal to increase investment in ICT, but considered that the amount allocated for staff training might prove to be inadequate.

97. The proposal to discontinue 3,019 outputs in 2006-2007 should be thoroughly evaluated, since the bulk of them involved economic, social and environmental programmes in developing countries. Pakistan agreed with the Advisory Committee that intergovernmental bodies should be involved in all stages of programme planning and implementation, including the identification of activities and outputs that were obsolete, of marginal usefulness or ineffective. Action should be taken to address weaknesses and inconsistencies in the application of regulation 5.6 of the Regulations and Rules Governing Programme Planning. More information was required on the distinction between discretionary and non-discretionary activities or outputs, and also on the issue of whether changes to the approved programme of

work were made with or without the knowledge of intergovernmental bodies. Efforts should be made to clarify further the definition of outputs in order to ensure better consistency and to provide Member Sates with a clear picture of the nature and scope of implemented or terminated outputs.

98. Pakistan had noted with concern that the 0.1 per cent increase in the proposed programme budget for 2006-2007 involved a net decrease of 10 posts compared to the staffing level approved for the current biennium. At the same time, extrabudgetary resources were expected to increase by nearly $185 million and to fund an additional 776 posts. A methodology should be devised to enable the entire membership to participate in decision- and policymaking with regard to those additional resources.

99. **Mr. Ozawa** (Japan) said that the Secretary-General's programme budget proposal represented an increase of 20 per cent over the initial appropriation of the programme budget for 2004-2005, and substantial additional resource requests were expected, yet his proposal had referred to virtually no real growth in resources for the budget as a whole. In the circumstances, Japan believed that the programme budget proposal for 2006-2007 should be examined in its totality, including the contemplated additional expenditures. The Secretariat had provided information to Member States indicating that the budget level could rise well beyond $4 billion. Japan's understanding was that that figure was the one projected if the financial implications of the 2005 World Summit Outcome and recosting were included. Given that the proposed budget for 2006-2007 could increase by nearly $1 billion over the initial 2004-2005 level, Member States must analyse it very seriously. In particular, they should bear in mind that the total peacekeeping operations budget for the year beginning 1 July 2005 was expected to exceed $5 billion. Discussions were needed on whether the total expenditure level was affordable for Member States.

100. As the Advisory Committee had correctly pointed out, the General Assembly had never adopted a purely incremental approach. All resource requests had to be justified, not just requests for proposed additional expenditures. The basic guideline should be that the resources necessary for the prompt implementation of the initiatives decided upon in the Summit Outcome should be provided through redeployment in line with the Organization's priorities and based upon the principle of "scrap and build". He wondered whether sufficient efforts had been made to identify ways of financing new priorities through the redeployment of existing resources from low-priority areas. In that connection, the Secretary-General should effectively utilize the authority he enjoyed as the Organization's chief administrative officer pursuant to Article 97 of the Charter.

101. A total of 3,019 outputs were proposed for discontinuation, as against 910 in the context of the 2004-2005 programme budget proposal. However, numbers alone were not necessarily a real measure of the Secretary-General's endeavour to prioritize available resources. One-time outputs and recurrent outputs had been lumped together, and no consistent information had been provided as to whether the newly proposed outputs would replace the discontinued outputs, making it difficult for Member States to gauge the extent of the Secretary-General's resolve to realign available resources in order to meet the Organization's needs. Japan urged that improvements should be made in order to overcome those shortcomings in the methodology.

102. Japan was deeply concerned to note that little tangible progress had been made in efforts to achieve an effective and efficient Secretariat. In the sixtieth anniversary year, the adoption of the budget was likely to attract a great deal of attention in the capitals of Member States, and the process might turn out to be more difficult than it had been in the past. To avoid a crisis in the adoption of the budget, an approach based on zero nominal growth might be a useful idea as a last resort in order to promote the rigorous prioritization of activities and enhanced efficiency within the Organization. The Member States needed to achieve concrete results in the area of management reform with the aim of making the Secretariat effective, efficient and accountable. Otherwise, they would face enormous difficulties in justifying the ever-increasing level of the budget. The budget for 2006-2007 was a crucial one that was likely to have a major impact on the future of the United Nations. Japan pledged to work with other Member States to achieve the best possible outcome.

The meeting rose at 6 p.m.